

MINUTES OF THE
MEETING
OF THE
AUDIT & COMPLIANCE COMMITTEE
FRIDAY, DECEMBER 17, 2010– 8:30 A.M.

Present:	<u>Committee Members</u>	Michele Bush, via telephone James Clayborne, via telephone Thomas Hoffman Daniel Hynes Fred Montgomery
	<u>Board Members</u>	Roderick Bashir Devon Bruce John Casey
	<u>Staff</u>	William Atwood Linsey Schoemehl Katherine Spinato, via telephone Alise White
	<u>Guests</u>	State Retirement Systems Tim Blair, via telephone Marquette Associates Brian Wrubel, Nichole Roman-Bhatty
Absent:	<u>Committee Members</u>	None.

ROLL CALL

Chairman Bush called the meeting to order at 8:40 a.m. The Secretary called the roll and noted that a quorum was present. Mr. Montgomery moved to allow Michele Bush to participate in the meeting via telephone. Senator Clayborne seconded and the motion passed unanimously.

MINUTES OF PREVIOUS MEETING

Mr. Montgomery moved to approve the minutes of the Audit & Compliance Committee meeting held September 24, 2010, in the form previously submitted. Judge Hoffman seconded and the motion passed unanimously.

STATUS OF FY 2010 AUDIT

Ms. White reported that the financial fieldwork was completed and the audit was in the review process and was scheduled to be completed toward the end of January. Discussion ensued regarding the delay with the Director recommending a communication expressing the Board's concern. It was the consensus of the Committee to instruct Director Atwood to communicate via written correspondence the Board's concern regarding the delay to the McGladrey & Pullen partner, with a copy to the Auditor General. (Official minutes contain attachment.)

Ms. White stated that the preliminary findings communicated from the auditors were non-material and summarized for the Committee.

STAFF PERSONAL TRANSACTION REPORTS

Ms. Spinato reported that there were no exceptions to report to the Staff's Monthly Personal Interest Statements for the quarter ending September 2010.

COMMISSION RECAPTURE REPORT

Ms. Spinato stated that the Commission Recapture Report for the quarter ending September 2010 had previously been distributed. Judge Hoffman moved to approve the Commission Recapture Report for the quarter ending September 30, 2010. Mr. Montgomery seconded and the motion passed unanimously. (Official minutes contain attachment.)

RECORD OF VOUCHERS

Ms. Spinato stated that the Record of Vouchers for the months of July, August and September 2010, were previously distributed. Following review of the Records of Vouchers, Mr. Montgomery moved to approve the Records of Vouchers for the months of July, August and

September 2010. Judge Hoffman seconded and the motion passed unanimously. (Official minutes contain attachments.)

ETHICS MATTERS

Placement Agent Contact Report

Ms. Schoemehl referred to the memorandum "Placement Agent Contact Report Q1 FY 2011" dated December 6, 2010, and reviewed. Following review, Mr. Montgomery moved to accept the report. Comptroller Hynes seconded and the motion passed unanimously. (Official minutes contain attachment.)

Board Member Timesheets

Ms. Schoemehl requested that the appointed Board Members submit their quarterly timesheets.

UNFINISHED BUSINESS

None.

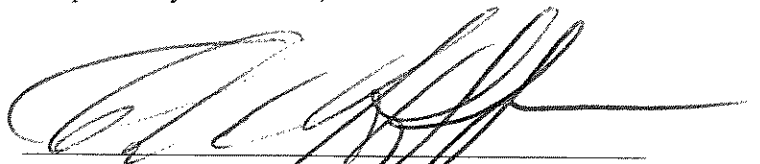
NEW BUSINESS

None.

NEXT MEETING AND ADJOURNMENT

Chairman Bush stated that the next meeting of the Audit & Compliance Committee was scheduled to be held Friday, March 18, 2011. At 8:55 a.m., there being no further business to come before the Committee, Judge Hoffman moved to adjourn. Comptroller Hynes seconded and the meeting was adjourned.

Respectfully submitted,



Thomas E. Hoffman, Recording Secretary
Illinois State Board of Investment

Michele Bush, Chairman
Audit & Compliance Committee